

## **PUBLIC SERVICE EFFICIENCY AND IMPLICATIONS FOR ECONOMIC DEVELOPMENT IN NIGERIA**

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### **ABSTRACT**

This paper focused on a descriptive analysis of efficiency in public service and its effects on the development of Nigeria. The public service was seen as the “totality of services that are organized under government authority and serves as the driver of the economy since it serves to formulate and implement policies for macroeconomic management of the economy. Efficiency in this regard is how the public service combines its inputs for production in such a way as to obtain the best possible outcomes which enhance overall economic development. . Economic Development was reviewed from the viewpoint of the rate of poverty, unemployment, and inequality. Some factors adversely affecting the efficiency of the public service were identified as poor management, poor remuneration of public servants, poor work attitude, financial mismanagement/corruption, obsolete working tools, poor funding, political interference, and policy summersault. The paper recommends regular re-orientation of public servants on the dangers of corruption and severe punishment for corrupt officers irrespective of tribe, status, or relationship with those in the top echelon of leadership and an incentive-based public service as some measures to ensure public service efficiency for national development.

**Keywords:** Efficiency, public service, economic development, corruption

### **1. Introduction**

The efficient utilization of a nation's natural and human resources is crucial to achieving its macroeconomic aim of development and progress. It has been claimed, and rightfully so, that the distinction between industrialized and developing countries in the world is not so much one of resource availability as it is one of how these resources are put to use in a way that is productive. As a result, the focus of development discourse in opposition to resource plenty has shifted to resource efficiency.

Governments all over the world exist to provide inhabitants with necessary services, making it crucial to guarantee that these services are delivered effectively to the citizens. As a result, governments are continually looking for more efficient and effective ways to carry out their duties. Because seamless service delivery tends to speed up the pace of economic development, an efficient public service attracts both domestic and foreign investors.

The public service (public sector), which is distinct from the commercial sector, is the area in which governmental functions are conducted. A public service is one that is provided in the interest of the general populace and may include the provision of goods and services like electricity, safety, transportation, education, and environmental protection. A public service is any program or solution that can help a variety of people and that the government offers or finances through a private company.

Adamolekun as cited in Nwizu and Nwapi (2011) defines the public service as the “totality of services that are organized under government authority. The 1999 Constitution of the Federal Republic of Nigeria as amended defines Public Service to mean the service of the state in any capacity in respect of the government of the state and includes services as Clerk of the House of Assembly, Member of Staff of High Court, the Sharia Court of Appeal, the Customary Court of Appeal or other Courts established for a state by this constitution or by a Law of House of Assembly; Member of Staff of any commission or authority established for the state by this constitution or by Law of a House of Assembly; Staff of any local government council. It also includes Staff of any statutory institution or corporation established by the law of a House of Assembly; Staff of any educational institution established or financed principally by a government of a state, and staff of any company or enterprise in which the government of a state or its agency holds controlling shares or interest.

The public service serves as the driver of the economy since it formulates and implements policies for the macroeconomic management of the economy. In a bid to make the public service perform this role efficiently, it has undergone a series of reforms by successive governments in Nigeria. Notable among the public service reforms introduced in the country is the privatization and commercialization programme, Public-Private Partnership, Due Process and Price Intelligence, Zero budgeting, monetization of fringe benefits, Treasury Single Account, etc. However, the dwindling fortunes of the welfare of citizens of Nigeria and worsening economic woes have called to question the potency of these public service reforms in fostering economic development.

Despite the adoption of these public service reforms, the development trajectory of Nigeria seems to have experienced worsening trends over the past few years at an alarming and worrisome rate. For instance, Nigeria was ranked 163 out of 185 countries in the human

development index (HDI) in 2021. The country had an HDI of 0.535, which was lower than that of countries such as Ghana (0.632 at 133 position), Equatorial Guinea (HDI of 0.596 at 145 position), Angola (0.586 at 148 position) and Cameroon (0.576 at 151 position), just to mention a few. Even more worrisome is the fact that Nigeria had the lowest life expectancy rate of 52.7 years among all the 185 countries reported in the report (UNDP, Human Development Report, 2021/2022). The number of poor Nigerians increased by 14.7% from 86 million in 2019 to 98 million in 2022 with over 51% of citizens multidimensionally poor (UNDP, 2022). In terms of inequality, the report stated that Nigeria had an inequality index of 36.0, with only three other countries in the world with worse indices. These countries are Comoros (43.1), Haiti (38.1), and Benin (36.1). Also, the rate of unemployment rose to 33% with underemployment at 22.8%. Youth unemployment stood at 42%, while youth underemployment is at 21% (NBS, 2022). In Nigeria, the number of children, aged between 5 and 14, who are not in school is put at 10.5 million and it is estimated that 1 out of every 5 of the world's out-of-school children is a Nigerian.

The above assessment of the economic development situation in Nigeria, given the catalytic role the public service plays in policy, governance, and public administration calls for a re-examination of the effect of an efficient public service in the economic development of Nigeria, which is the focus of this paper. The paper is presented in five sections as follows: section one is the introduction, section two examined the conceptual and theoretical perspectives to efficiency, public administration, and economic development; Section three is on the causes, extent, and challenges of inefficiency in the public service in Nigeria; section four deals with the effect of inefficiency on economic development and section five is the conclusion and policy options.

## **2. Conceptual and Theoretical Perspectives on Efficiency, Public Service and Economic Development**

### **a. Efficiency**

Efficiency measures the relationship between one or more inputs (or factors of production) and one or more outputs (outcomes of the production process). The theories of efficiency are rooted in the relationship between inputs and outputs in a production process and are thus hinged on production and cost theories.(Obafemi, Eke & Eke, 2018)

Production theory or function in contemporary Economic literature traces the link between inputs and the final output of a production process. The transformation of inputs into outputs (finished goods and services) may take place in various sectors such as manufacturing, transportation, education, Judiciary, banking, and healthcare, etc.

Basically, production theory estimates the relation between output, Y, and other input factors used mostly labour (L), materials (M), and capital (C) (Ludwig, 2008). This relationship can be represented mathematically thus;

$$Y = f ( L, M, C )$$

where

Y = Output

L = Labour

M = Materials

C = Capital

The theory of productive efficiency as put forward by M. J. Farrell in 1957 was considered new and innovative in that it allows measuring efficiency and distinguishing between technical, allocative, and economic (cost) efficiency measures with the use of many inputs and outputs in an explicit form. Farrell in making this distinction defined technical efficiency in relation to the ability of a DMU to produce at its highest output level when the level of its input is known or given i.e. it produces on the frontier. Price or allocative efficiency he described in terms of the success of the firm in making a choice of the set of inputs that are optimal in the production of a given output level while overall or economic efficiency (also referred to as productive efficiency) is the sum of price and technical efficiencies. Thus, overall inefficiency, according to Farrell is also the product of technical and price inefficiency.

#### **b. Public Service or administration**

Public service from the service point of view according to Obikeze (2011:70) implies “all that are provided by individuals who operate in government agencies, institutions, organizations and establishments”. The public service exists to perform certain functions to the citizens. According to Nwizu and Nwapi (2011), the roles of the Public Service include:

- Prevention of exploitation: If private enterprises are allowed to render essential services, there will be exploitation and discrimination in their provision so public service helps to eliminate exploitation for services rendered
- Ensuring a constant supply of service: If these services are left in the hands of private enterprises, there will be irregular supply in order for them to make huge profits
- Public service avoids private monopoly: Private monopoly in the provision of essential services is detrimental to members of the public. It may lead to a high cost of living but with public

- Public service helps in economic development: Their presence attracts rapid economic development from both local and foreign investors and fastens the economic development of the state

### **i. Bureaucratic model**

The traditional theory of public service administration was influenced by the ideas of Marx Weber and later by Woodrow Wilson, which was the prevailing approach to public administration for much of the 20th century. This theory drew on a model of hierarchy and meritocracy, which has as its watchwords; efficiency and effectiveness in the management of budgetary and human resources (Robinson, 2015). In this model, the conformity of the administrators to the wishes of the people and the pursuit of the common good was measured by the level of accountability of administrators to democratically elected political leaders. Webber's theory of bureaucracy promoted the idea of a distinct, professional public service, recruited and appointed by merit, politically neutral, which would remain in office throughout changes in government. While Wilson held the view that politicians should be responsible for policy-making, while the administrators would be responsible for carrying it out. From both models derived the notion that administration could be instrumental and technical, removed from the political sphere. The shortfalls of the traditional theory were its bureaucracy and rigidity, dependence on processes and procedures rather than focus on outcomes and results, and rule-based. These drawbacks give rise to bureaucratic bottlenecks, red-tapism, lack of creativity and initiative, and an unattractive work environment. (Ezeali & Edeh 2007; Ndema, 2022).

### **ii. Development Administration model**

This model is an action and goal-oriented approach towards the achievement of determined set objectives, be it political, economic, or social. This model is ascribed to Edward Weidner in the 1950s and was used to refer to the administration of development programmes, policies, and plans by the government in a way that meets the development objectives. In a bid to achieve a development plan, the capabilities for doing so must also be strengthened. Development administration concerned itself with the administration of four Ps viz: plans, policies, programmes, and projects. It has been popularised as the administration of development and the development of administration. The cardinal pillars on which the development administration model is built include effective socio-economic change, results orientation, commitment to assigned tasks, dynamic and open to innovation, and meeting the needs of the majority of citizens that are underprivileged with their active participation in the process. It also involves effective co-ordination mechanisms and giving shape to the political, economic, and social environment.

### **iii. New Public Management and New Public Service Models**

These shortcomings gave rise to a new way of thinking which sought to re-invent public service delivery known as the New Public Management (NPM) and New Public Service (NPS) views in the 1980s, with the main focus of making public service providers more responsive to their citizens. This new paradigm focused on privatization of public firms and made public servants the “new entrepreneurs” to run these firms in a manner akin to what obtains in private sector management. The emphasis of NPM is creating value for money, application of managerial principles of the private sector in public management, emphasis on efficiency and private ownership of factors of production (FOPs), devolution of management control, and disaggregation of management to the basic service units. The NPS is based on the tenets of procedural democracy which involves the people’s participation in the decision-making process including participation in administrative decision-making. The focus of this model is on public interest and the involvement of citizens in public service delivery. Here, there is an organised process for public involvement that should be impactful or influential. NPS is anchored on procedural democracy with active citizenship participation at all levels of governance, Citizens are viewed as stakeholders and not recipients of government or public service as all gamut of government activities are people-oriented.

### **C. Economic Development**

Development is a multi-dimensional concept in the sense that there are various aspects of development. There is political development, social development, cultural development, technological development, as well as economic development. However, generally, development in all its ramifications connote improvement in the various aspects of human existence. Economists, at the onset, viewed development as an increase in the number of goods and services available to citizens accompanied by structural changes in the economy. Over the years, the concept of development has evolved and the focus of economic development has changed from goods and services to being people-centered. That is why Sen cited in Todaro & Smith (2003) enthused that development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy. He argued that to make sense of the concept of human well-being in general and poverty in particular, we need to think beyond the availability of commodities and consider their use and freedom to use; what he calls functioning and capabilities. Functioning refers to commodities of given characteristics while capabilities refer to the freedom the person has in terms of the choice of functions given his personal features and command over commodities. Development is now conceptualized with regard to what is happening to poverty, inequality, and unemployment and this is the concern this study focused on.

### **3. Causes and challenges of inefficiency in Public Service in Nigeria**

It can be deduced from evidence that the performance of public service in Nigeria may be partly responsible for the present state of underdevelopment. The inefficiency in public establishments has led to the privatization of public enterprises or total shutdown, like the former National Electric Power Authority (NEPA) and the Nigerian Telecommunication (NITEL).

Some of the challenges facing public service include poor management, poor attitude to work by staff, financial mismanagement/misappropriation and poor funding, political interference, political instability, and excessive control by the government.

**Poor Management:** This could be a result of setting and monitoring performance targets and incentives for rewarding excellence. This could be when management public service, responsible for policy formulation and implementation, are political appointees, without requisite knowledge and exposure in the organisation's area of operations. Again, employing unqualified staff or engaging staff based on tribal or "man-know-man" syndrome can also lead to inefficiency and mismanagement.

**Poor Remuneration of Public Servants:** The wages and salaries of public servants in Nigeria are abysmally low and their real value has continued to decline over the years due to rising inflationary trends and a host of other causes. Nigeria's public service remuneration continues to lag behind that of the private sector and the public services of other countries in sub-Saharan Africa. At a current inflation rate of 22%, the real income of the current minimum wage of NGN30,000 is put at a little above twenty-four thousand. This is worsened by a volatile exchange rate in an economy where most commodities are imported. This leaves the public servant helpless and very prone to sharp and corrupt practices, aiding inefficiency and impeding development

**Poor attitude to Work:** A good number of staff in the public service see their jobs as government work (no man's work, with a popular mantra making the rounds as "na your papa work or no bi my papa work") with less commitment and seriousness. The result is haphazard work and this causes inefficiency. Government work, it is believed howbeit erroneously, does not require seriousness or commitment. Nwachukwu (2007), observed, and rightly so, that it is characteristic of Nigerian employees to put up a very poor attitude to work. He found that the average Nigerian employee is fifty percent of the time "not on seat" and that in most public service jobs, salaries are paid regardless of one's input in the establishment. These attitudes promote inefficiency and stand in the way of the attainment of organizational goals.

**Financial Mismanagement/misappropriation:** There is endemic corruption in the public service with that active connivance of the political class as officials collect bribes and truncate



their primary reasons for establishment. There is outright embezzlement of funds sometimes. Officials also connive with contractors who are paid in full for work that is either not done or is improperly carried out. At times old and obsolete equipment and machinery are bought at the price of new ones whereas the money would have been used for important development projects in the country by the company or the government. It has become traditional that public officers found to be involved in financial mismanagement are given the highest level of cover through pardons or even elevated to higher offices, depending on whom you know.

**Analogue and obsolete working tools:** Obsolete equipment affects the general functionality of the civil service. Some offices in the civil service still use typewriters instead of new modern computers. For any civil service to function efficiently, obsolete equipment should be gotten rid-off. The modern system of administration should be adopted for easy and effective management and productivity enhancement.

**Poor funding:** This is another challenge in the public service which has some level of association with inefficiency. Inadequate funding of public services by the government has made their operation very difficult and made the provision of service by such organisations to be below optimal. Poor funding affects the quality of output and ultimately the society. For instance, a poorly funded educational system lacks basic facilities in its laboratories which result in poorly trained manpower i.e. medical doctors. The outcome is a medical system with high mortality due to poorly trained medical personnel.

**Political interference:** The public services, rather than being driven by merit and its service rules, are plagued by an overbearing influence from the political class by ‘important government officials. For political reasons, public servants are forced to employ unqualified persons or embark on projects that have political undertones and no value in the economy. Such interference in the affairs of public services by politicians has affected the efficiency of the public service. Emeh (2012) observed that public service has several problems which can affect the quality of their services and most times cannot compete effectively with private sector organizations engaging in the same line of service provision.

**Political Instability:** This happens with the changes in the political system when the government of a state changes too frequently and unexpectedly and appoints its own representatives to oversee public establishments. This leads to inconsistent policymaking and implementation. Constant changes can also lead to delays in the completion of projects or unnecessary changes in projects already embarked upon. Some projects in which huge amounts of money have been spent are abandoned because the new management disapproves of them.



**Absence of skilled and trained manpower:** Lack of skilled manpower is a key cause of inefficiency in public service. Therefore, any organization that lacks adequate skilled personnel, will find it difficult to carry out their operations effectively and efficiently. Also, training helps to develop workers' ability in order to carry out their work efficiently. When public servant lacks the necessary training, that will help them carry out their work well, it causes a delay in the operations of the civil service.

In Nigeria, a combination of these problems and challenges are manifested in the very poor services given by public services such as irregular and erratic power and water supply, late or non-delivery of mail, faulty telephone services and poor railway, bad roads and air transport services, non-functional hospitals and schools, etc. The inability of public service to discharge their duties effectively and efficiently has contributed greatly to the slow rate of social and economic development in the country. In buttressing the challenges faced by the public service, Agabi and Orokpo (2014), in their work asserted that the performance of Nigerian public service was compromised in many instances leading to inefficient utilization of resources by public and their activities characterized by endemic corruption, mismanagement of funds and operations and bureaucratic suffocation and inability to enhance the social and economic well-being of the people, which no doubt placed government under tremendous pressure to initiate various reforms.

#### **4. The effect of public service efficiency on economic development**

The causes of inefficiency in the public service as outlined in the previous section could be as a result of poor public service management, poor remuneration of public servants, financial mismanagement and corruption, political interference in public service matters etc. These and many more constitute a cog in the wheel of an efficient public service. As public service is the engine of the economy, inefficiency in economic management in these areas will eventually translate into impeding economic development.

**Public service management and economic development:** A well-managed public service across sectors has better outcomes i.e. a well-managed school has higher productivity per teacher and thus produces better results in WAEC and JAMB for instance. Also, a well-managed hospital has a lower cost per staff (more efficient) and lower mortality rate due to malaria for instance. The lower the malaria incidence rate, for instance, the lower the work and school absenteeism rate, the higher the productivity of these workers and thus an increase in national productivity and output.

**Remuneration and economic development:** Low wages adversely affect aggregate consumption and weaken the demand for goods and services while a living wage enhances the

purchasing power of the worker and his ability to consume a variety of goods and services (broadens his choices). A reduction in demand leads to a fall in aggregate planned capital investment and economic development. A well-structured and implementable incentive system for both staff and other stakeholders who operate within the public service such as contractors can boost productivity within the system. In Nigeria, with the public sector employing a large segment of the working population, low wages, and salaries will continue to impede the availability of investible funds and hence the ability of the economy to expand and develop.

**Technology and the performance of the economy:** The technology revolution has made easier the performance of a variety of tasks using technological tools and applications. Information and communication technology has made it easier to accomplish a variety of duties easier, faster, and anywhere. The use of ICT prevents wastage, enables work to be done anywhere, and improves public sector performance and by extension the performance of the economy. The use of computers for instance in schools makes our children competitive anywhere in the world and the use of computer technology in hospitals for instance fastens the performance of various tasks such as scan and reduces wait time for patients.

**Transparency, efficiency, and economic development:** Transparency in government refers to the principle of sharing information openly with the public and other relevant agencies. Increasing inter-agency transparency is a great strategy for improving government performance. Various institutions, agencies, and departments can now share crucial information required to disseminate performance data. By allowing unrestricted access to this data, leaders in the public sector can get more serious about improving performance and work toward creating the appropriate action plans to meet set goals. For instance, there are some government agencies with access to certain information which should be shared with others to reduce cost, enhance efficiency and economic development

## **5. Conclusion and policy options**

This paper undertook a descriptive analysis of efficiency in public service and its effects on the development of Nigeria. The public service was seen as the “totality of services that are organized under government authority and serves as the driver of the economy since it formulates and implements policies for macroeconomic management of the economy. Efficiency in this regard is how the public service combines its inputs for production in such a way as to obtain the best possible outcomes which enhances overall economic development. Key conceptualizations of efficiency were technical, allocative, and productive efficiency and that of public administration including bureaucratic, development administration, and new public management/new public service models were reviewed. Economic Development was reviewed from the viewpoint of the rate of poverty, unemployment, and inequality. Some factors adversely

affecting the efficiency of the public service were identified as poor management, poor remuneration of public servants, poor work attitude, financial mismanagement/corruption, obsolete working tools, poor funding, political interference, and policy summersault. This paper recommends that for an efficient public service that will drive the nation's development to evolve, a cursory look should be taken to ensure:

- i. Regular re-orientation on the dangers of corruption, the need to avoid corrupt practices, and severe punishment for corrupt officers irrespective of tribe, status or relationship with those in the top echelon of leadership.
- ii. A robust management strategy of public service institutions that is incentive-based and engages in routine training by industry experts regularly
- iii. The remuneration of public servants should be made competitive in order to reduce corruption.
- iv. Massive deployment and training of staff on ICT in order to enhance public service delivery
- v. Re-orientation of staff to take ownership of the service to do away with the "government work" or "no be my papa work ideology"

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